

**WELCOME**  
**ELECTRONIC COMMERCE MEETING**  
**GOVERNMENT/INDUSTRY**  
**20 June 2000**



# AGENDA

- |      |   |   |
|------|---|---|
| 0800 | Welcome   | Mr. Stan Soloway, Dir, Defense Reform   |
| 0815 | Keynote Address   | Mr. Rudy deLeon, Dep Secretary of Defense   |
| 0830 | Industry Keynote Address                                    | Mr. Joseph Cleveland, CIO, Lockheed Martin  |
| 0845 | <b>Incentives for Adoption<br/>of Electronic Business</b>   | Mr. Terry Zagar, VP, TRW<br>Ms. Evelyn DePalma, JECPO, DOD  |
| 0915 | <b>Performance Measures<br/>for Electronic Business</b>     | Mr. Carl Berry , JECPO, DOD<br>Mr. Brice Zimmerman, EVP, CACI   |
| 0945 | Break (Refreshments)  |   |
| 1000 | <b>Software Quality and<br/>Interoperability Management</b> | Mr. Ron Torezan DCIO, DOD<br>Mr. Harold G. Wilson, VP, Litton/PRC   |
| 1030 | <b>Information Security<br/>for Electronic Business</b>     | Mr. Guy Copeland, VP, CSC<br>Ms. Trish Janssen, DISA, DOD   |
| 1100 | Executive Roundtable  | Moderator: Mr. Stan Soloway<br>Mr. Paul Brubaker, Dep CIO, DOD; RADM Jenkins, SECNAV<br>Mr. Robert Deutsch, CISCO Systems; Mr. Mark Testoni, Oracle Corp. |
| 1145 | Closing Remarks   | Mr. Stan Soloway  |



**Mr. Stan Soloway**  
**Director of Defense Reform**





**Mr. Rudy deLeon**  
**Deputy Secretary of Defense**







**Mr. Joseph Cleveland  
Chief Information Officer  
Lockheed Martin Corp.**

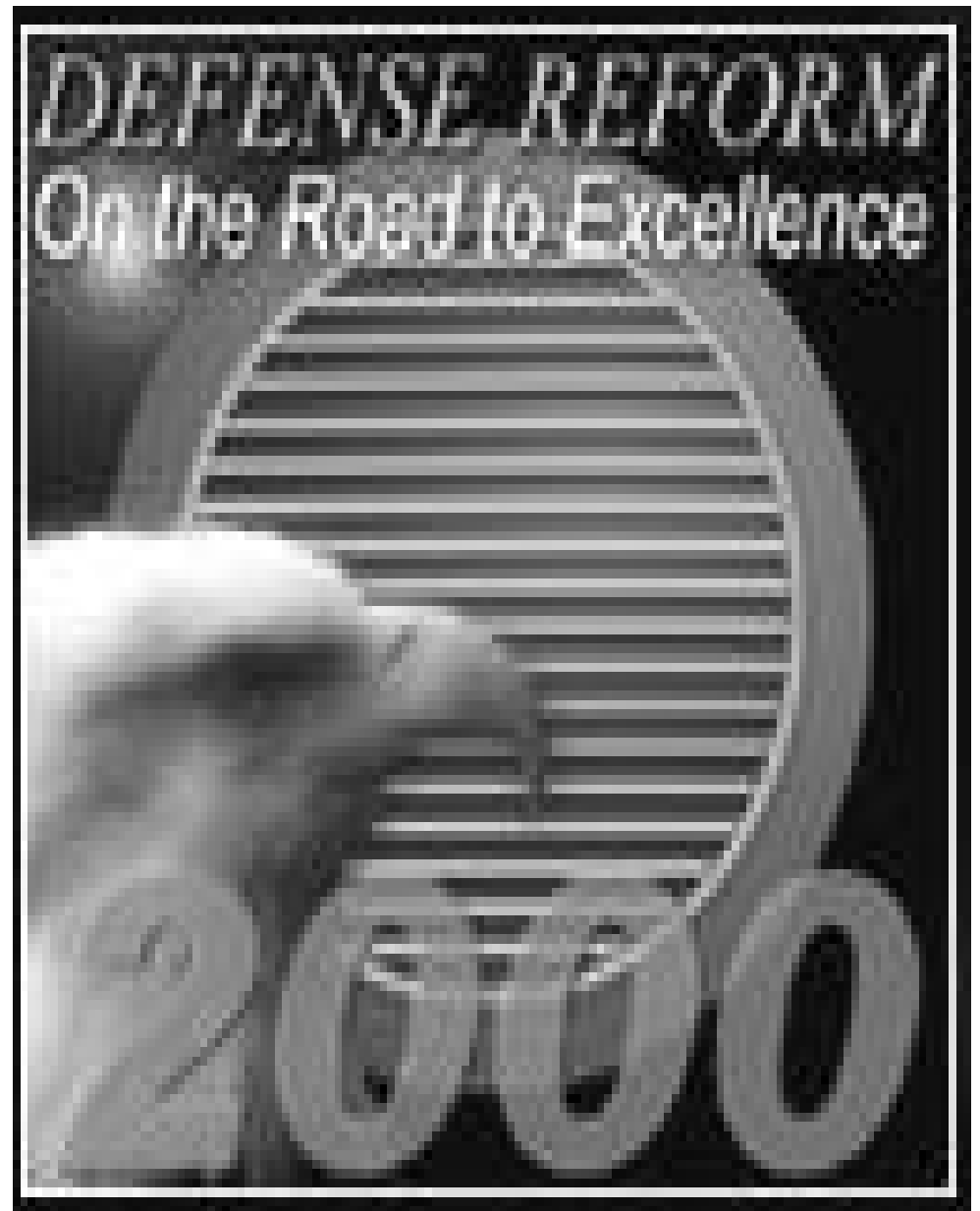


# **e-Commerce**

## ***The Road Ahead***

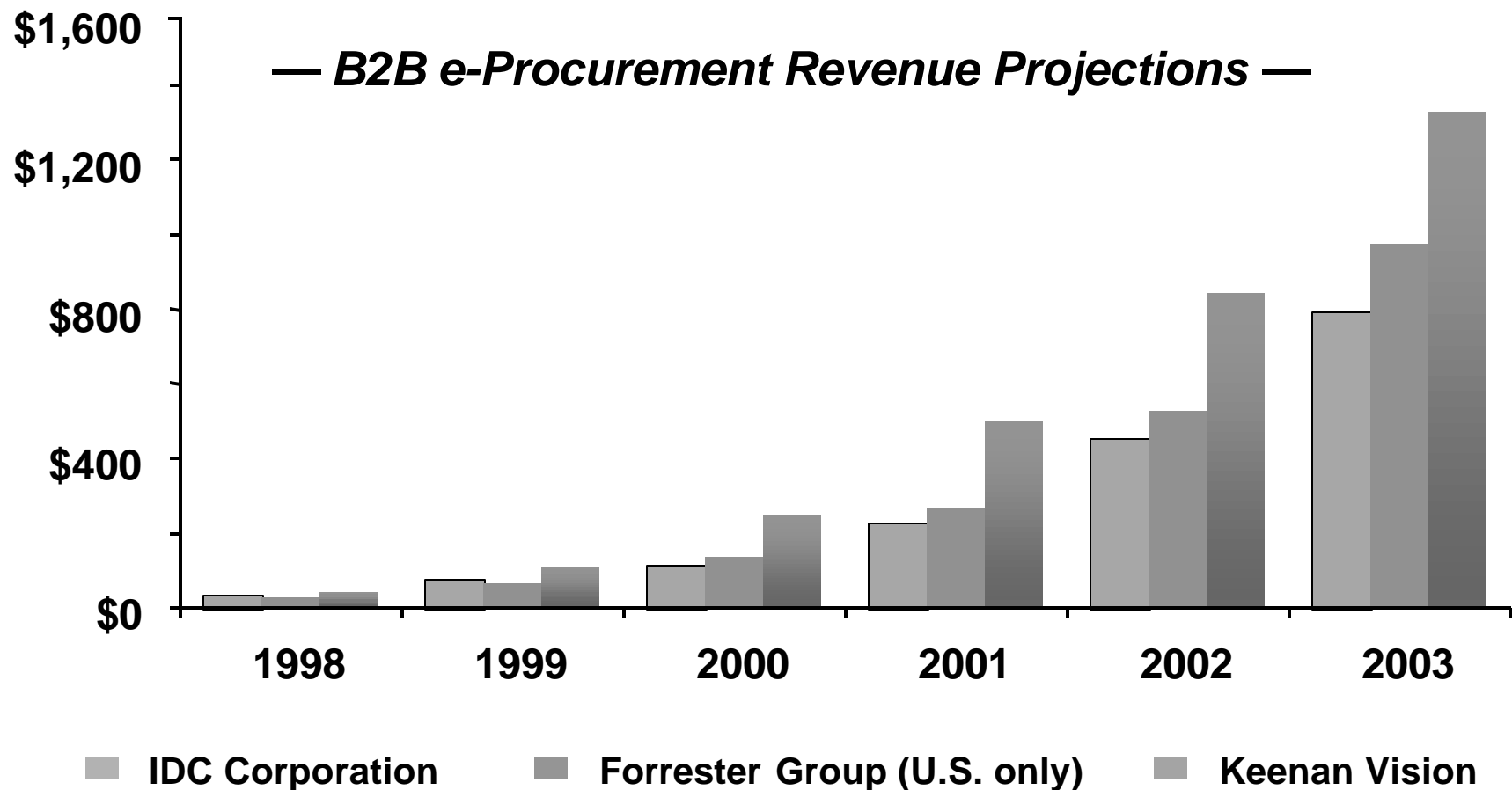
**Joseph R. Cleveland**  
**Lockheed Martin**

**June 20, 2000**

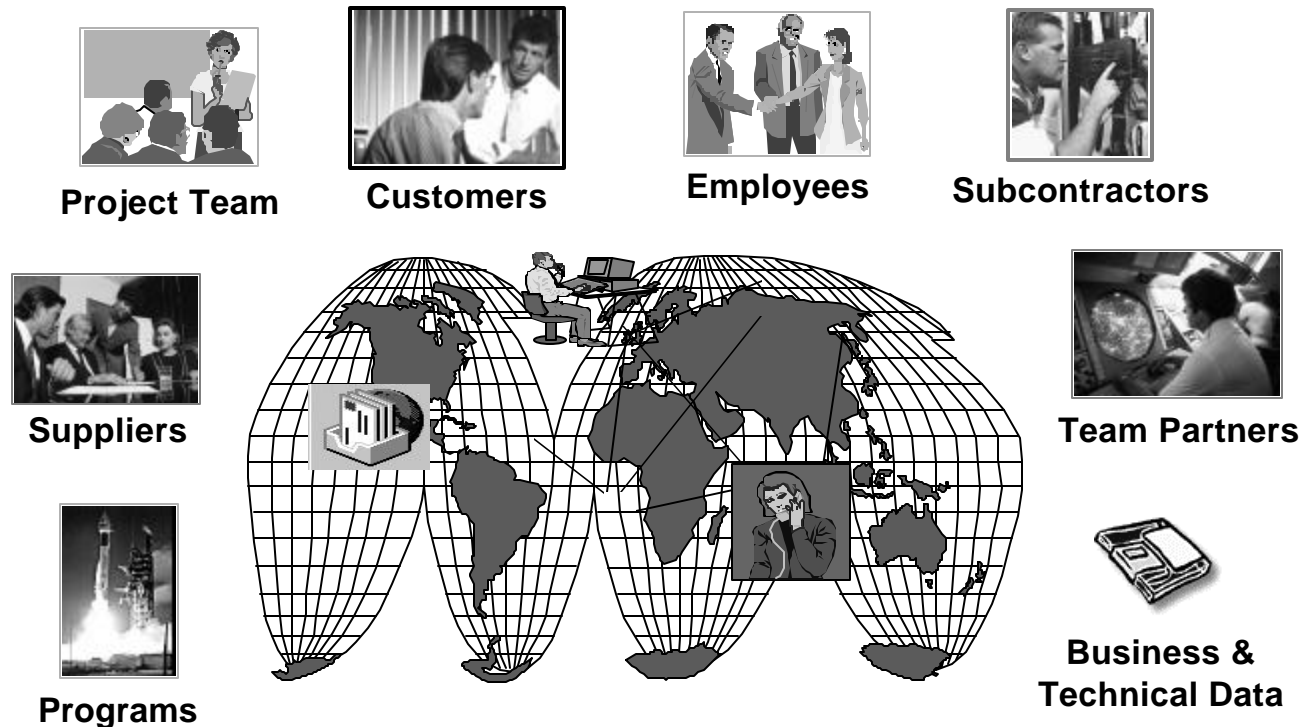


# B2B Market Is Large And Growing

B2B e-Commerce Transactions in the U.S. Alone Are Expected to Grow to More Than \$1.3 Trillion in 2003



# e-Commerce...A Strategic Opportunity



- **Provide Value-Added Business Services to our Trading Partners**
- **Provide Architected Framework to Enable e-Business**
- **Deliver Infrastructure Services that Enable Access to Products and Services Anywhere, Anytime, Anyplace**

# Issues For Follow-up -- May 1999

- **Focus on Process Integration and Architected Solutions vs. Individual Programs**
- **Address the Role of Standards**
- **Define the Metrics and Overall Plan**
- **Balance Change With Regulatory Issues**
- **Take Advantage of Commercial Best Practices**

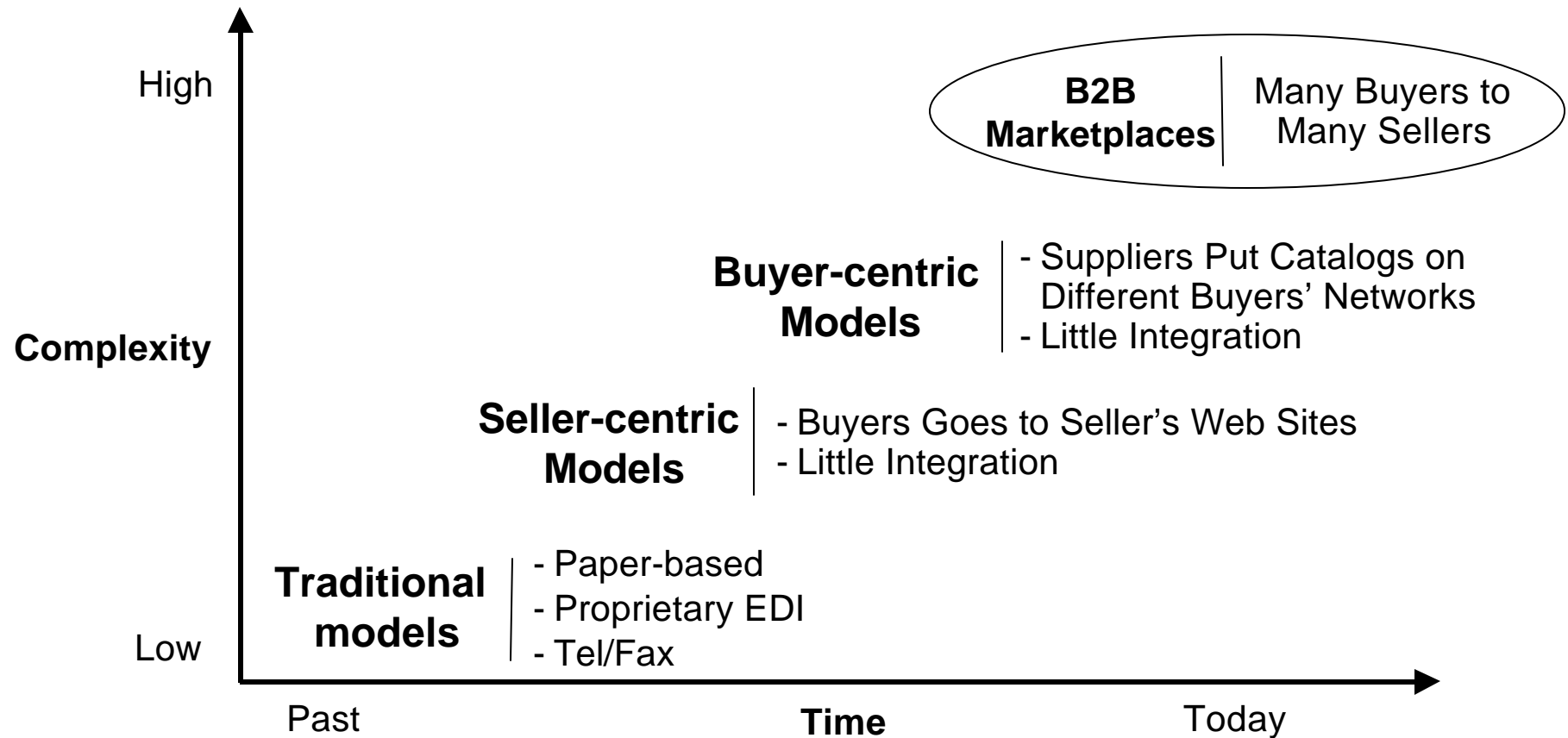
# Working Groups Established

- **Incentives for Adoption**
- **Performance Measures**
- **Software Quality and Interoperability**
- **Information Security**

Strong Response By DoD And Industry

# What's Different In 2000?

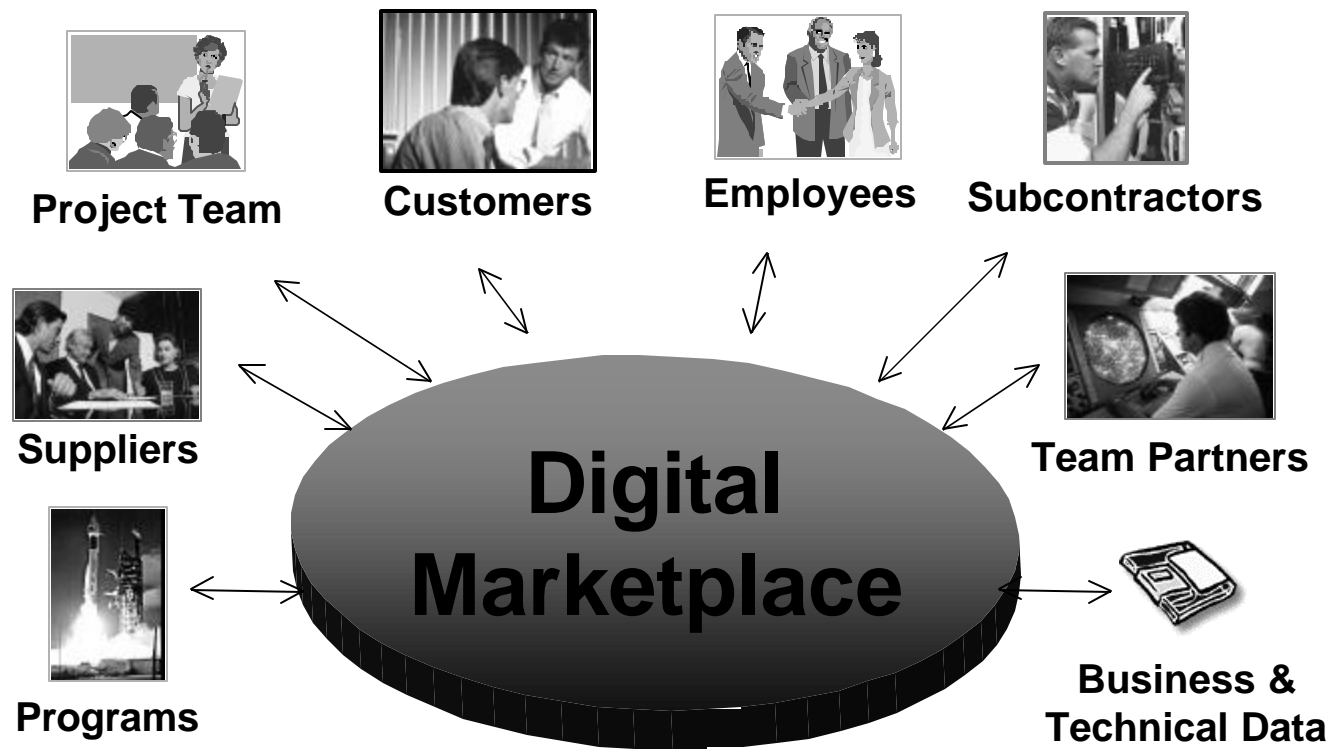
## Business-to-Business Market Models Evolving From Simple Sources of Supplier Information to Dynamic, Online Marketplaces for Buyers and Sellers



**B2B Marketplaces Are The Emerging Paradigm**

# IDE Vision

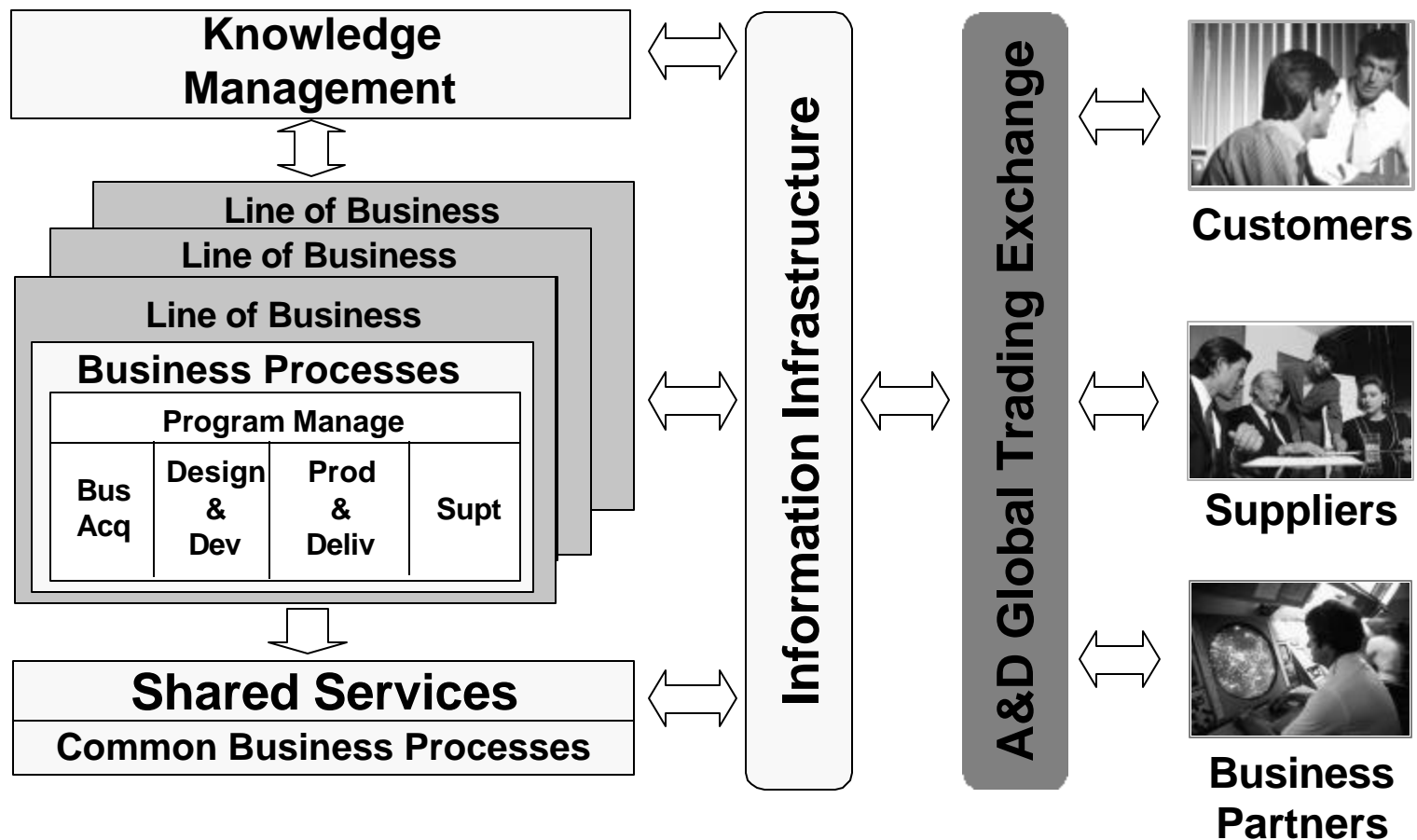
Establish an Integrated Digital Relationship with Suppliers,  
Customers, and Business Partners



## Digital Marketplace Supports IDE Vision



# Typical e-Business Architecture



**A&D Global Trading Exchange Is Key Element Of e-Business Architecture**

# A&D Global Trading Exchange

## Founding Partners:

**BAE SYSTEMS**



**Raytheon**

## Technology Partner:



## Exchange Scope:

- Open Exchange for the Global A&D Industry
- Open to All Participants/All Tiers

## Independence:

- Zephyr Will Be an Independent Company
- Independent Management/Board of Directors
- Based on Commercial Best Practices

Announced March 28<sup>th</sup>...Go-Live Q3 2000

# Operating Principles

- **Open, Independent, Vendor-Neutral, Global Digital Exchange Benefiting All Participants in the A&D Environment**
- **Promote Technology Standardization Between A&D Exchange Participants to Enable Interoperability**
- **Drive Out Unnecessary Complexity, Time, and Cost**
- **“Buy-side” and “Sell-side” Functionality Within the Framework of an Integrated, Open Architecture**
- **Safeguards to Protect Proprietary Technical and Business Information and Insure Quality of Service**

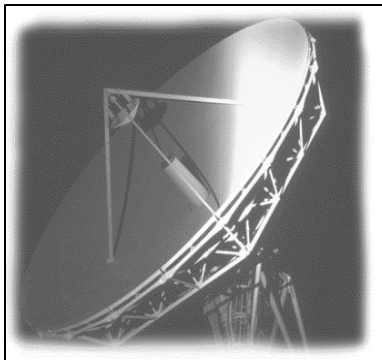
# World's Largest B2B Marketplace



Global Trading Web

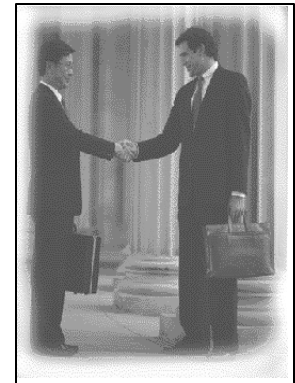
# The Road Ahead Remains...

- 1. Make information understandable and accessible on demand**



- 2. Ensure that the Network provides the capacity, reliability, and quality of service to make the information available**

- 3. Managed, secure, transparent, access to and from Trading Partners**





**Electronic Commerce Conference Working Group**

# **Incentives for the Adoption of Electronic Business (IAEB)**

## **Co-Chairs**

**Ms. Evelyn DePalma**  
Chief, Technology Team  
JECPO  
[depalmae@ncr.disa.mil](mailto:depalmae@ncr.disa.mil)

**Mr. Terry Zagar**  
Vice President, Technology  
TRW Global Enterprise Solutions  
[terry.zagar@trw.com](mailto:terry.zagar@trw.com)



## Electronic Commerce Conference Working Group

# IAEB TEAM FOCUS

- **Incentives to:**
  - E-enable the DOD Enterprise to move to an EB mode of operation within & across DOD
  - Synchronize DOD & Industry EB efforts
  - Encourage true EB Partnership between Industry & DOD
- **People & Process Best Practices**
  - Not technology focused



## Electronic Commerce Conference Working Group

# IAEB TEAM

### Government

- Ms Evelyn DePalma, JECPO [CO-CHAIR]
- Mr Floyd Groce, DON CIO
- Mr Dennis Idol, DFAS
- COL Dave Kerrins, OUSD(A&T) Defense Proc Dep Dir
- Mr Jim Mulder, ODASD DCIO/EB/KM
- Mr Reed White, OUSD(AT&L) ARA/AM

### Facilitator

- Mr Robert Sturm, Co-Chair, Federal Electronic Commerce Coalition

### Industry

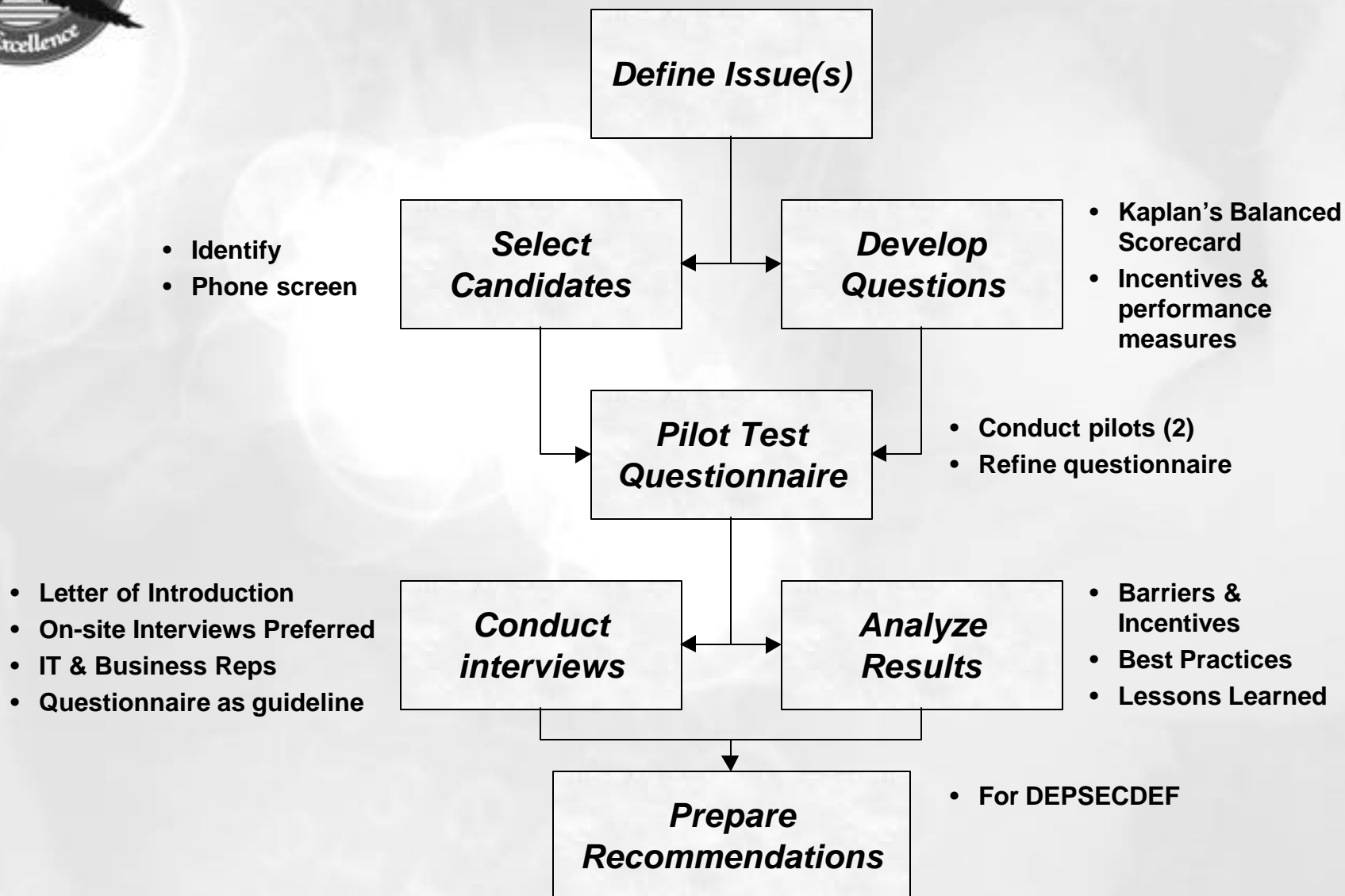
- Mr Terry Zagar, VP, TRW [CO-CHAIR]
- Mr Robert Alderman, DON CIO Support
- Dr Marilyn W. Andrulis, President & CEO, Andrulis Corp
- Ms Billie Bryant, President, CESCO Inc & Technology Interchange Resources
- Mr Ralph Cruikshank, COO, The Presidio Corp
- Mr Tim Hart, Digital Commerce Corp
- Mr Michael Holshey, Asst VP, SAIC
- Mr Terry Morgan, Defense Alliance Manager, CISCO





## Electronic Commerce Conference Working Group

# IAEB TEAM APPROACH





## Electronic Commerce Conference Working Group

# IAEB TEAM INTERVIEWS

- **Industry:**
  - Boeing
  - Cisco Systems
  - Dell
  - IBM
  - TRW
  - VISA
- **Electronic Commerce Resource Centers (ECRCs)**
- **State Government**
  - Alaska
  - Virginia
  - Maryland
- **Federal Government**
  - GSA
  - NPRG
  - SSA
  - VA
- **DOD Major Programs**
  - AAV
  - F22
- **Defense Agencies**
  - DFAS



## Electronic Commerce Conference Working Group

*Leadership*

*DOD/Industry  
Communications*

# ISSUES & RECOMMENDATIONS

*Internal Defense  
Initiatives*

*Technical  
Infrastructure*



## Leadership Issue

How do we incentivize DOD leadership at all levels to accelerate and institutionalize EB across the Department and keep pace with industry?

### Discussion of Issue:

- No single focal point for EB authority & accountability across the Department
- No continuity or long term vision from top down
- Lack of senior person in charge leads to incompatible stovepipe implementations



## Electronic Commerce Conference Working Group

# Leadership Recommendations

Direct the new EB Board of Directors through the DOD CIO to generate policy guidance, have funding oversight, and ensure the integration of both the technical & functional aspects of EB for the enterprise-wide adoption of EB systems



## Leadership Ramifications

- Impediments:
  - Change in administration
- Resource Implications:
  - Top-Down reprioritization of EB funding
- Policy/Legislation:
  - None



# DOD / Industry Communications Issue

How do we incentivize open communications between DOD and Industry to achieve effective EB coordination?

## Discussion of Issue:

- EB requires cross-functional teams with representation from trading partners, staff & customers
- Industry partnership is consistent with Acquisition Reform
- Small business needs a voice in the EB change process



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## **DOD / Industry Communications Recommendations**

- Direct the CIO to create an EB Industry Panel that will meet quarterly with the EB Board of Directors. The Panel should be composed of EB Executives; include representation by large, mid-size, and small business and ensure the business focus includes EB strategies and practices.
- Direct the continuance of the Incentives for the Adoption of e-Business working group to perform a more complete analysis of survey results and develop a framework for action, to be reported to the EB Board of Directors and Industry in the first quarter of FY 01.





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# **DOD / Industry Communications Ramifications**

- Impediments:
  - None
- Resource Implications:
  - Identify appropriate funding to support EB Industry Panel
- Policy/Legislation:
  - FACA legislation



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## Internal Defense Incentives Issue

How do we incentivize and migrate internal DOD business to a more cost effective EB foundation?

### Discussion of Issue:

- Current practices in conflict with shared EB savings incentives
- Policy and awareness changes needed to facilitate EB adoption



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# Internal Defense Incentives Recommendations

- Direct USD(AT&L) in coordination with the DOD CIO to amend the DOD 5000 series and MIL-HBK-881 (Work Breakdown Structures) to address adoption of EB methods in acquisition programs and include EB as part of the acquisition strategy.
- Direct the DOD CIO to establish a formal awards program at the SECDEF level for successful EB initiatives.
- Direct the DOD CIO in conjunction with OUSD(C) to develop plans that will allow a portion of savings realized by EB to be shared with the implementing organizations.
- Direct the DOD CIO to accelerate existing efforts to include EB awareness and approaches in the curricula of appropriate DOD schools and other training programs.



# Internal Defense Incentives Ramifications

- Impediments:
  - None
- Resource Implications:
  - Requires reprioritization of CIO budget to accelerate changes to the curricula of DOD schools
- Policy/Legislation:
  - DOD 5000 Series



## Technical Infrastructure Issue

How do we create the ability to incentivize the adoption of internal EB processes, which is limited by the lack of a standards-based technical architecture framework for EB?

### Discussion of Issue:

- Criticality of infrastructure for EB initiatives
- DOD & Industry participation
- Small business participation



# Technical Infrastructure Recommendations

- Direct the DoD CIO to promote development of a flexible technical infrastructure compatible with industry EB initiatives that allows cost-effective and resource-efficient interoperation with industry.
- Direct the DoD CIO to establish EB Quality of Service guidelines for commercial applications installed at the base, post, camp/station level.
- Direct USD(AT&L) and the DOD Small Business Office in conjunction with the DoD CIO to improve ways to allow small businesses to integrate with the EB infrastructure with minimum cost.



# Technical Infrastructure Ramifications

- Impediments:
  - None
- Resource Implications:
  - Identify and allocate funds to develop Quality of Service guidelines
- Policy/Legislation:
  - None



Electronic Commerce Conference Working Group

# **Performance Measures for Electronic Business**

**Co-Chairs**

Mr. Carl Berry, JECPO

Mr. Brice Zimmerman, VP, CACI





## Electronic Commerce Conference Working Group

# Approach

- Develop Measurement Framework
- Address EB/EC Business Continuum
- Consider Balanced Scorecard Perspective
  - Goals
  - Measures



## Electronic Commerce Conference Working Group

# Working Group Members

Mr. Bill Gorham, Co-chair  
Mr. Carl L. Berry, Co-chair  
Mr. Brice Zimmerman, Co-chair  
COL Lyndi Balven, USAF  
Dr. Shawn Bohner  
Mr. Edward F. Burke  
Mr. Jim Harrison  
Mr. Chris Kreiler  
Mr. Lee Nash  
Mr. Bill Ortengren  
Dr. D. Brent Pope  
Mr. D. B. Propert  
Mr. Kirk Rosener  
Mr. W. Deane Stanley, III  
Mr. Alan Williams

**Mr. Howard Stern**

JECPO (retired)  
JECPO  
CACI, Inc.  
SAF/AQCI  
Meta Group  
Andersen Consulting  
Meta Group  
CACI, Inc.  
Joint Staff/IRMO  
DCIO/ITAL  
PWC  
JECPO  
Technology Mgmt Applications  
Vector Research Inc  
Andersen Consulting

**Facilitator, Fed EC Coalition**



## Electronic Commerce Conference Working Group

# Issues

- Measuring e-Business solutions' performance in various DoD business areas
- Establishing a uniform measurement framework

**Performance measures for Electronic Business and Electronic Commerce (EB/EC) are needed to assess return on investment, the progress of the EB/EC initiative, and to understand and identify areas of opportunity for improvement.**



## Electronic Commerce Conference Working Group

# EB/EC Continuum

### Performance Measures – Balance Scorecard

- 1- Financial ( Mailing Costs, Printing Costs, Labor Costs)
- 2- Customer (Wait time, Order Accuracy)
- 3- Internal Business (EDI Use, Cycle Time, Data Entry)
- 4- Learning and Growth (User Satisfaction)
- 5- War Fighter (cycle time)
- 6- Trading Partners (order accuracy)

### Implementation Functions

- 1- Incentives
- 2- Interoperability
- 3- Security
- 4- Capability
- 5- Supportability

Goals: Shift to Commercial Practices for Business Processes

Goals: Extend EB/EC Practices to Improve Core Systems Access

Goals: Extend EB/EC Practices to Achieve Cross Functional Integration

Web e-Business & Info Dissemination

Core System Transaction Processing

Integrated Digital Environment

DoD Email  
DoD Bus  
Opportunities

DoD Personnel  
DoD Procurement

DFAS Corporate  
Database  
CISCO



# Electronic Commerce Conference Working Group

## Balanced Scorecard Perspective

Customer Perspective	
Goal	Measures
Provide needed defense products and support services reliably, responsively and at acceptable cost.	Efficiency measures EBusiness Investment Corollary Savings User Satisfaction

Trading Partner Perspective	
Goal	Measures
Provide the best world class business and technical practices in support of DoD's new business paradigms.	Efficiency measures EBusiness Investment EBusiness Usage Corollary Savings User Satisfaction

Financial Perspective	
Goal	Measures
Lower total cost of DoD products and processes	Efficiency measures EBusiness Investment Corollary Savings

Warfighter Perspective	
Goal	Measures
Provide needed modern systems, support services and warfighting capability for the next decade.	Efficiency measures

Business Perspective	
Goal	Measures
Field high quality defense products quickly and support them responsively.	Efficiency measures EBusiness Investment EBusiness Usage Corollary Savings User Satisfaction

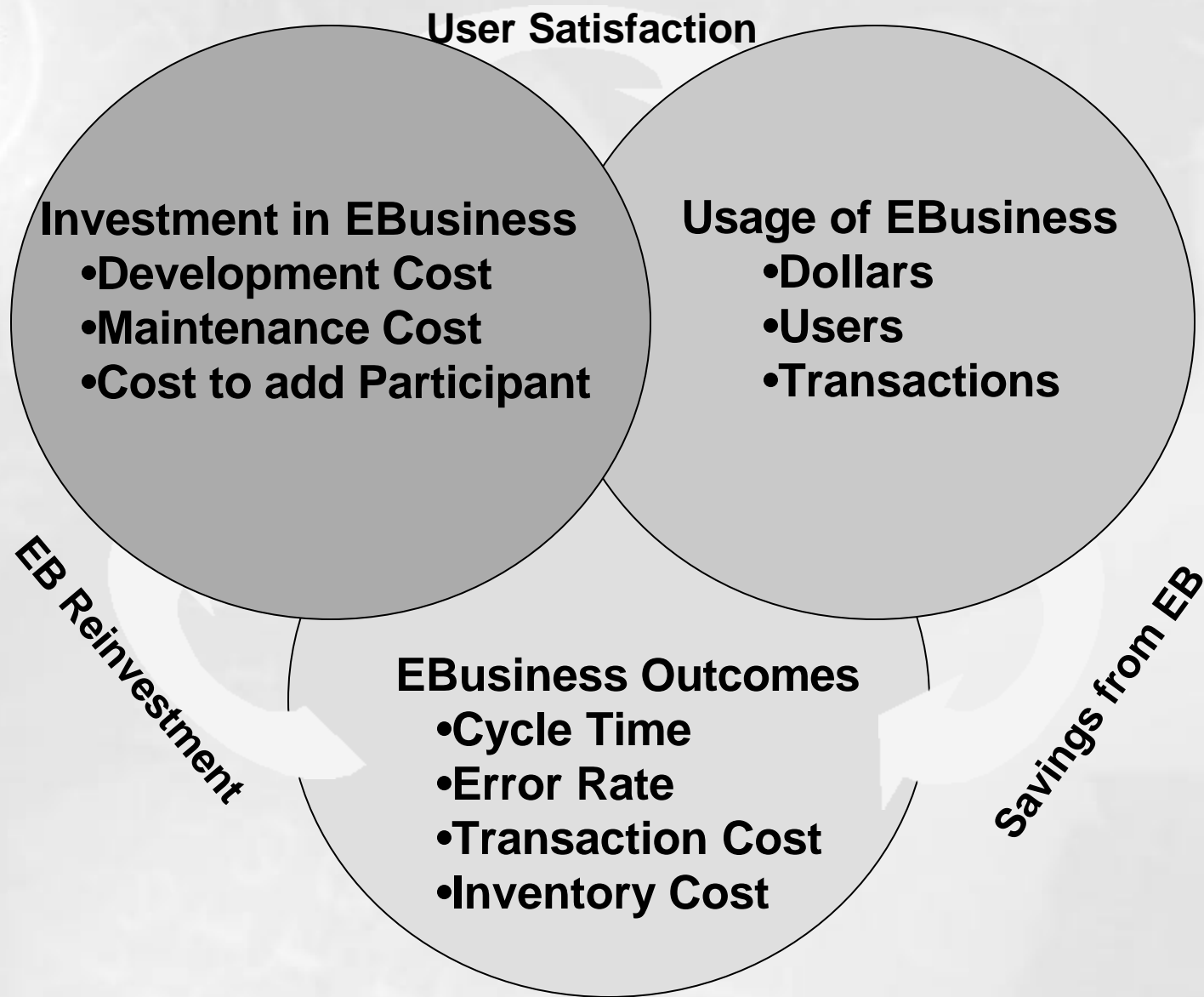
Innovation and Learning Perspective	
Goal	Measures
Continuously train and educate the work force to meet the challenges of DoD's new business paradigms.	EBusiness Investment User Satisfaction





Electronic Commerce Conference Working Group

# Feedback Cycle for e-Business





## Guiding Principles

- Methodology applies performance measures across a balanced scorecard.
- Performance measures and goals are based upon level of EB/EC maturity along a continuum of technology evolution.
- Measures should be incorporated into a feedback cycle influencing further investment



## Recommendations

Require Principal Staff Assistants & Components to:

- Examine current / planned business processes cross functionally and develop goals and metrics.
- Use five EB measurement classes: (1) Investment, (2) User Satisfaction, (3) Usage, (4) Efficiency, (5) Corollary Savings
- Provide results in Tab G of POM, GPRA Report, GIG starting in FY01 and other PPBS inputs

Direct USD(AT&L) to incorporate requirements into the 5000 Series of Acquisition Management Policy





## Implementation Concerns

- Incremental measurement approach at project level vice global measurement at program level
- Start small and simple
- Progress to large and complex measurements based on mission goals
- Make data collection integral to the EB system and transparent to users
- Publicize success stories to gain employee confidence



## Resource Implications

- Measurement costs should be proportional to the project size and investment
- EB/EC oversight should be properly staffed and empowered to manage investment decisions



## Conclusions

- DoD framework links together business continuum, balanced scorecard perspectives, and measures
- Uses phased business continuum to establish goals and measures
- Commercial and Public Sector Best Practices stressed throughout
- Maps continuum to DoD EB Architecture capabilities



**"Not everything that counts can be counted, and not everything that can be counted counts."**

(Sign hanging in Albert Einstein's office at Princeton)

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| 1145 | Closing Remarks   | Mr. Stan Soloway  |



Electronic Commerce Conference Working Group

# **Software Quality & Interoperability**

**Co-Chairs**

Ron Torezan, DCIO

Hal Wilson, Litton PRC



## Electronic Commerce Conference Working Group

# Approach

- Joint Government/Industry Working Group defined problem space and scope
- Information gathering
  - Presentations from DoD and Industry on issues
  - Market survey developed & responses received
  - Vendors, users and integrators present quality and interoperability approaches
- Developed initial findings and recommendations considering multiple perspectives of participants



## Electronic Commerce Conference Working Group

# Working Group Members

Ron Torezan

Marilyn Kraus

Mark Johnson

Colonel Tom Catudal

Harold (Hal) Wilson

James Tully

Angelena Moy

Willie Williamson

Harry Hixon

Jim Sturges

Mary Polydys

Hays McCormick

Facilitator:

John Weiler

DoD CIO (co-Chair)

DoD CIO

Oracle Federal

Joint Staff IRMO

Litton PRC (co-Chair)

UNISYS

OUSD(AT&L) Procurement

Microsoft

EDS

Lockheed- Martin

IRMC

The OTG

Interoperability Clearinghouse





## Electronic Commerce Conference Working Group

# Issues

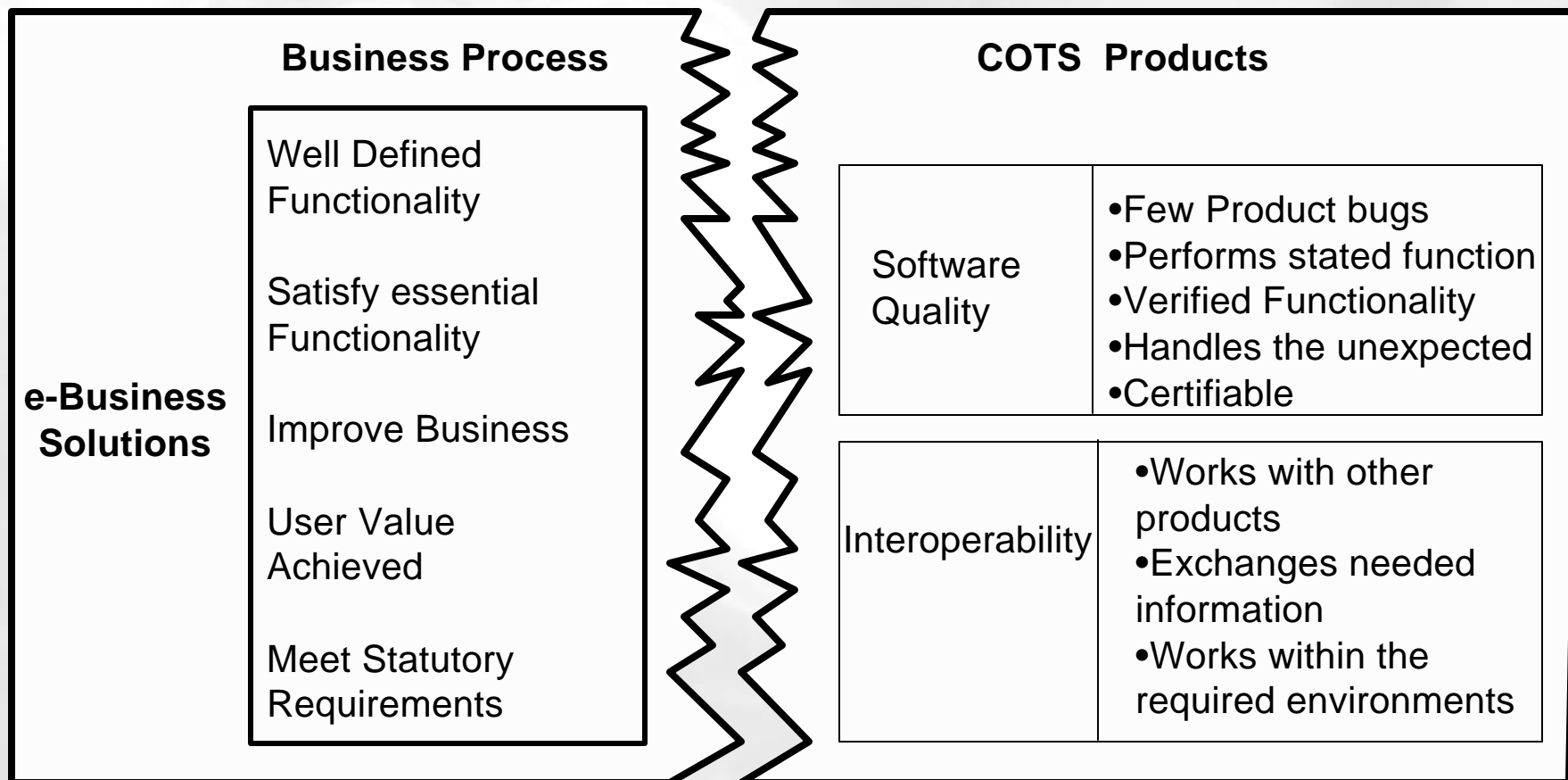
- COTS S/W contains quality and scalability issues, exacerbated by time to market concerns and inability to change processes
- Current IT processes are undermined by the rate of technology change (technology insertion takes too long and is disconnected)
- Schedules for new COTS features are unreliable and could add significant risk
- COTS products present interoperability challenges
  - Independent and competitive COTS product development exacerbates interoperability problems
- Functional mismatches between COTS capabilities and user requirements



Electronic Commerce Conference Working Group

# Business Process-COTS Relationships

**Matching Business Process to COTS Products is critical to e-Business success**



**Facilitated by an Interoperable & Secure Information Infrastructure**



## Recommendations

**Process Definition** - The DoD CIO will promote process improvements by leading a task force of all DoD business process owners, and industry as appropriate, to recommend, within 4 months:

- An easily understandable business process definition technique, for use across the Department, that will facilitate business process improvement and bridge the gap between process definition and software product selection.
- An implementation strategy and supporting tool sets that will enable the process improvements.



## Electronic Commerce Conference Working Group

# Recommendations

**Product Selection** - To facilitate DoD e-Business decisions, the DoD CIO will over the next 6 months:

- Develop, with the CIO Executive Board, a “Return on Investment”-like mechanism that quantifies the value of process changes and information technology for EB/EC initiatives. Results will be published in an appropriate CIO directive.
- Create a plan to initiate DoD participation in key efforts, such as COTS Product Alpha and Beta test programs, user groups, and EB/EC standards bodies, to ensure DoD strategies and business and technical requirements are addressed by COTS Product developers. Results of the participation will be reported to the CIO Executive Board



# Recommendations

**Interoperability:** The DoD CIO will ensure that:

- All aspects of EB/EC are fully supported in the FY 2001 Defense Planning Guidance.
- The Global Information Grid (GIG) architecture provides for a secure, interoperable infrastructure (to include industry infrastructures) that supports all EB/EC processes.
- The GIG employs best commercial practices in implementing this recommendation.



# Ramifications

- **Impediments:**
  - Architectural tools/lexicons immature with no unanimous single choice
- **Resource Implications:**
  - Creation of a task force will require staffing and appropriate resource commitments
  - Alpha and Beta Test participation will demand on-going commitment of resources for key product areas
- **Policy/Legislation:** None noted



**Electronic Commerce Conference Working Group**

# **Cross-Cutting EB/EC Architecture**

**Ron Torezan, DCIO  
Hal Wilson, Litton PRC**



Electronic Commerce Conference Working Group

## Architecture Issue Description

There is no overall Department-wide architecture being prepared that:

- Integrates all the various EB/EC operations (electronic funds transfer, paperless contracting, etc).
- Describes the interrelationships with other processes in DoD and the supporting communications/computing infrastructure.





## Architecture Value

- Architectural techniques order thought and facilitate decision making
- Architectures, used correctly, can reduce cycle times and risk in assembling COTS based solutions for EB/EC
- Architectures have value in making connections between the EB/EC business processes and the Information Technologies that support those processes.



## Electronic Commerce Conference Working Group

# Recommendation

The DoD CIO, supported by the Department's Services and Agencies, will prepare an EB/EC architecture, as part of the GIG Architecture, encompassing all EB/EC processes and operations. First draft of the EB/EC architecture should be completed by December 2000.



## Ramifications

- Impediments: Architectural tools/lexicons are immature with no unanimous single choice
- Resource Implications: Concentrating on EB/EC architectural efforts may require additional resources
- Policy/Legislation: None noted.



**Electronic Commerce Conference Working Group**

# **Information Security for Electronic Business/ Electronic Commerce (ISEB)**

**Co-Chairs**

**Ms. Trish Janssen**  
Information Assurance Team Lead  
DISA/D7  
janssent@ncr.disa.mil

**Mr. Guy Copeland**  
Vice President  
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gcopelan@csc.com



## Electronic Commerce Conference Working Group

# ISEB Members

### Government

Susan Chadlick,	DLA
Norris Connelly,	Air Force
Paul Hamilton,	Air Force
Katherine Hollis,	DISA
Trish Janssen,	DISA
Carolyn Lee,	Air Force
William Meskill,	Air Force
Joe Mirabile,	OSD CIO
William Nelson,	Air Force
Shauna Russell,	OSD OGC
Don Zukowski,	Army
James Springfield,	Army



## Electronic Commerce Conference Working Group

# ISEB Members

### Industry

Chuck Abare, Janus Res Grp

Mark Nobles, LMI

Errol Baker, B-A & H

Guy Copeland, CSC

Ed Giorgio, B-A & H

Katherine Hollis, EDS

Ron Knode, CSC

Jeff Jaffe, IBM

Chris Johnson, CISCO

Belkis Leong-Hong, KAI

Sam Maccherola, Entrust

Ron Martin, Raytheon

Mike McFarren, Bellerophon

Sheila Andahazy, CSC

Chris Yukins, Holland & Knight

Thomas Oakley, Tivoli-IBM

Max Peterson, GTSI

Barry Robella, Entrust

Daniel Silien, Wiley, Rein & Fielding

Bill Stewart, B-A & H

Sandra Throneberry, Lockheed-Martin

Koser Ugur, AAC Assoc

Rusty Wall, CSC

Robert Wright, CSC

Facilitator: Mike Mestrovich, Unlimited New Dimensions



## Electronic Commerce Conference Working Group

# Approach

- Meetings every two weeks
- Discussions with more than 30 industry senior executives
- Built subgroups to focus on critical areas:
  - Enterprise Information Assurance (IA)
  - People
  - Public Key Infrastructure (PKI)
  - Legal Implications



# Definitions

- **Information Assurance (IA)** - Information Operations that protect and defend information systems by ensuring their availability, integrity, authentication, confidentiality, and non-repudiation. This includes providing for the restoration of information systems by incorporating protection, detection, and reaction capabilities.
  - DoD Directive S-3600.1, "Information Operations (IO) (U)," 6 Dec 1996
- **Information Operations (IO)**- Actions taken to affect adversary information and information systems while defending one's own information and information systems."
  - NSTISSI 4009





## Electronic Commerce Conference Working Group

*People*

*Legal*

# ISSUES & RECOMMENDATIONS

*Enterprise*

*Public Key  
Infrastructure*



## Electronic Commerce Conference Working Group

# Enterprise Issue

**DoD lacks clear enterprise policy for EB/EC that provides the goals and measurable outcomes that enhance EB/EC while providing adequate trust and assurance to all parties.**



## Electronic Commerce Conference Working Group

# Enterprise Recommendations

- Direct DoD CIO to sponsor government and industry workshops/forums in FY01 to develop mutually acceptable enterprise IA solutions in formulation of EB/EC policies.
- OUSD(A&T) and DoD CIO request that Industry continue its efforts to identify IA policy issues and voids that restrict EB/EC implementation.
- DoD CIO ensure that appropriate guidance is put in place, by Oct 2000, providing for IA end-to-end planning and compliance in all system development, implementation, operation and maintenance.



# Enterprise Ramifications

- Impediments:

None, Federal agencies and industry will welcome the opportunity to provide input

- Resource Implications:

Appropriate IA planning will reduce overall future costs associated with damage due to compromised information

- Policy/Legislation:

DoD CIO must ensure that policy is written that would require end-to-end system IA incorporation.



# People Issues

**Successful implementation of EB/EC within DoD must be built upon security, trust, and confidence involving not only technology, but also the people who design, develop, manage, operate and use e-business services. While people constitute the weakest link, neither resource allocations nor assigned priorities accurately reflect the crucial role of heightened security awareness, ongoing training or formal security education.**



## Electronic Commerce Conference Working Group

# People Recommendations

- Direct DoD CIO, in coordination with USD(P&R), to expand their effort to develop and require security engineering professional courses and certificate programs.
- Direct USD(AT&L) and USD(P&R), in close coordination with PSAs and Components, to add IA education to DoD school curricula to ensure that program managers have the knowledge to implement integrated IA throughout the system life cycle.
- Direct DoD CIO to work with USD (P&R) and OUSD(C) to identify resources and develop DPG language to require funding for workforce IA training, and for development and use of metrics to measure IA education effectiveness.



## People Ramifications

- Impediments:

Compliance requires behavior modification (cultural change) and support at all levels. Training priorities are low and “first to go” (time and funding). Shortage of qualified trainers. Metrics are inadequate or do not exist.

- Resource Implications:

Early investment in training reduces overall costs. Funding for IA should come from all line items, not IA alone. XX% of savings from EB should be applied to IA training.

- Policy/Legislation:

DoD 5000 series, EB/EC policies, OPM policies



## PKI Issues

**DoD's "high assurance" standard for its PKI infrastructure has a tendency to inhibit EB. DoD has many potential PKI opportunities that may not require a "high assurance" level of PKI. This presents an opportunity for accelerated EB/EC adoption at lower cost with a security solution that is appropriate for the level of information being transacted.**





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# PKI Recommendations

- Direct DoD CIO lead a DoD study, with industry, to identify opportunities for implementing a more open PKI model that allows operation at multiple assurance levels and report recommendations to the EB Board of Directors, by Dec 00.
  - Group to focus on interoperability and application level issues.
  - Explore alternatives to high assurance level defense-in-depth requirements to enhance EB/EC through use of a more applicable PKI class level.



# PKI Ramifications

- **Impediments:**

Trust and legal requirements for EB are not well defined or specified. Interoperability (both among vendor products and with current Class 3 PKI solutions). Few current EB applications are PKI-enabled.

- **Resource Implications:**

- Funding for the study of subsequent implementation.
- Appropriate assurance levels will reduce costs for DOD trading partners and will encourage increased participation.

- **Policy/Legislation:**

- Revision of PKI Roadmap to include a re-look at the applicability of Class 3 and Class 4 for EB/EC.



# PKI Issues (con't)

DoD's "high assurance" standard for its PKI infrastructure has a tendency to make DoD's EB/EC processes unique among the federal government. Defining a common PKI approach across all of government that is acceptable to DoD requires extensive interaction with other non-DoD organizations.



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# PKI Recommendations (con't)

- Direct the DoD CIO, working with the Federal CIO Council and each DoD functional community, to institutionalize within six months partnerships with other federal, state, allied and private sector DoD EB partners to develop mutually acceptable PKI performance metrics, appropriate levels of trust and PKI solutions for core business areas. Further, direct the DoD CIO to request that Industry continue to support an IAWG for formal exchanges with above groups to develop mutually beneficial EB/EC direction.



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# PKI Ramifications

- **Impediments:**

Trust and legal requirements for EB are not well defined or specified. Interoperability (both among vendor products and with current Class 3 PKI solutions). Few current EB applications are PKI-enabled.

- **Resource Implications:**

Potential huge savings due to lower assurance requirements that help DOD align PKI solutions used by private sector and other Federal agencies.

- **Policy/Legislation:**

Define policy for EB PKI within the framework of a broadly accepted government/industry functional area solution.



## **Legal Issue**

**States are adopting Uniform Electronic Transactions Act (UETA) in an effort to standardize electronic commerce practices. UETA allows for negotiated shared liability; DoD PKI policy does not allow for shared liability.?**

### **Discussion of Issue:**

**DoD may be able to capitalize on UETA's momentum.**



**Electronic Commerce Conference Working Group**

## **Legal Recommendations**

**Director of Defense Procurement Policy, OSD General Counsel, and DoD CIO review and report to CIO Executive Board by 1 Oct 00 on potential adoption of commercial legal standards for EB/EC, such as UETA, particularly in light of Federal Acquisition Regulation, Part 12, which encourages government use of standard commercial contracting rules.**



## Legal Ramifications

- **Impediments:**

DOD's position on liability acceptance issues

- **Resource Implications:**

Reduced transaction costs due to uniform implementation across US.

- **Policy/Legislation:**

- Administration favors technology-neutral EB enabling rules.
- Federal Acquisition Regulation (FAR) and/or Defense Federal Acquisition Regulations Supplement (DFARS) may require amendment to accommodate commercial-model rules for EB.



# **Executive Roundtable**

**Moderator**  
**Mr Stan Soloway**

## **DoD Panelists**

**Mr. Paul Brubaker, Deputy CIO, DOD**  
**RADM Jenkins, SECNAV**

## **Industry Panelists**

**Mr Robert Deutsch, CISCO Systems**  
**Mr. Mark Testoni, Oracle Corporation**



**Mr. Stan Soloway**  
**Director of Defense Reform**

